



Department of Justice

U.S. Department of Justice
U.S. Attorney's Office
Southern District of Texas
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FOR IMMEDIATE RELEASE
MONDAY, January 5 2009
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EL PASO BUSINESSMEN PLEAD GUILTY IN PSJA-ISD **BRIBERY SCHEME**

(McALLEN, Texas) – Two El Paso, Texas, businessmen have entered pleas of guilty to charges alleging conspiracy to commit mail fraud involving items of value given to public officials in exchange for help in obtaining Pharr San Juan Alamo-Independent School District (PSJA-ISD) construction contracts, acting United States Attorney Tim Johnson announced today. PSJA-ISD is a large school district located near McAllen in Hidalgo County, Texas.

Steven Sambrano, 49, and Ramiro Guzman, 62, both of El Paso, entered guilty pleas today before U.S. District Court Judge Ricardo H. Hinojosa in McAllen. They pleaded guilty to conspiring to provide public officials on the board of trustees at PSJA-ISD with items of value in exchange for help in getting contracts for a corporation headed by Sambrano to build two elementary schools and a maintenance building for PSJA. Sambrano admitted being an officer with the Sambrano Corporation (commonly referred to as SamCorp) while Guzman admitted his role was as a consultant for SamCorp and that he aided in obtaining these contracts. During the process of obtaining these contracts and the time period when SamCorp constructed two schools and a maintenance facility, Guzman admitted to providing items of value to PSJA officials. Sambrano admitted approving the reimbursement of corporate funds to Guzman for these items. Both men admitted the items included tickets to a San Antonio Spurs game for three board members, clothing purchased for two board members, tickets to Houston Astros games for a board member, tickets to an Oscar De la Hoya boxing match held in Las Vegas, Nev., at a cost of \$6500 for various officials with PSJA and, a "Final Four" package (tickets and hotel rooms) to the NCAA basketball tournament in San Antonio provided at a cost of more than \$14,000 for a board member. Most of these acts were alleged to have occurred in 2003 and 2004.

The conspiracy count to which both men entered pleas carries a potential maximum sentence of five years in federal prison and a maximum fine of \$250,000. There is no parole in the federal system. Judge Hinojosa set the sentencing date for April 2009 and allowed both men to remain free on bond pending sentencing.

The case was investigated by agents with the McAllen Office of the FBI, the McAllen office of Internal Revenue Service - Criminal Investigations Division and the Dallas office of the Department of Education - Office of the Inspector General. The case is being prosecuted by Assistant United States Attorney Larry Eastepp of the Public Corruption Section of the U.S. Attorney's Office.